DRAFT SUBJECT TO LEGAL REVIEW FOR ACCURACY, CLARITY, AND CONSISTENCY MARCH 1, 2004

Exchange of Letters regarding express delivery services

The Honorable Mark Vaile MP Minister for Trade Parliament House Canberra ACT 2600

Dear Minister Vaile

I have the honor to refer to Chapter Ten (Cross-Border Trade in Services) of the United States-Australia Free Trade Agreement (the "Agreement") signed this day, and to the following understanding reached by the Government of the United States and the Government of Australia during the negotiations leading to the Agreement.

During the negotiations, the negotiators for the Parties discussed the definition of express delivery services in Article 10.12 (Specific Commitments). I have the honor to confirm our shared understanding that this Article does not, by itself, require any government agency to expedite the collection, transport, and delivery of any documents, printed matter, parcels, and/or other goods.

I have the honor to propose that this letter and your letter of confirmation in reply shall constitute an agreement between our two governments, and that this letter be treated as an integral part of the Agreement.

Sincerely

Robert B. Zoellick

The Honourable Robert B. Zoellick United States Trade Representative 600 17th Street, NW Washington, D.C. 20508

Dear Ambassador Zoellick

I have the honour to confirm receipt of your letter of this date, which reads as follows:

Dear Minister Vaile

"I have the honor to refer to Chapter Ten (Cross-Border Trade in Services) of the United States-Australia Free Trade Agreement (the "Agreement") signed this day, and to the following understanding reached by the Government of the United States and the Government of Australia during the negotiations leading to the Agreement.

During the negotiations, the negotiators for the Parties discussed the definition of express delivery services in Article 10.12 (Specific Commitments). I have the honor to confirm our shared understanding that this Article does not, by itself, require any government agency to expedite the collection, transport, and delivery of any documents, printed matter, parcels, and/or other goods.

I have the honor to propose that this letter and your letter of confirmation in reply shall constitute an agreement between our two governments, and that this letter be treated as an integral part of the Agreement."

I have the honour to confirm that my government shares this understanding and that your letter and this reply constitute an integral part of the Agreement.

Sincerely

Mark Vaile